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FINANCING OF THE ANGOLA VERIFICATION MISSION

Report of the Advisory Committee on Administrative  
and Budgetary Questions

1. The Advisory Committee recalls that the Security Council, by its resolution 976 (1995) of 8 February 1995, authorized the establishment of UNAVEM III to assist the parties in restoring peace and national reconciliation, with an initial mandate for the period from 9 February to 8 August 1995 and with a maximum deployment of 7,000 military personnel, in addition to 350 military observers and 260 police observers and an appropriate number of international and local staff.
2. By the same resolution, the Security Council also decided that the deployment of infantry units would take place on the basis of a report from the Secretary-General to the Council that conditions such as effective cessation of hostilities, provision of all relevant military data and designation of all quartering areas had been met. The Advisory Committee understands that the Secretary-General's report on the financing of UNAVEM III (A/49/433/Add.1) has been prepared on the premise that these conditions have now been met. The Secretary-General informed the Council of actual developments in this regard in his report of 4 June 1995 (S/1995/458).
3. The report of the Secretary-General contains the proposed budget of UNAVEM III for the mandate period from 9 February to 8 August 1995 and, as a transitional measure to implement the budget cycle established by resolution 49/233, the cost estimate for the period from 9 February to 31 December 1995. As indicated in the summary of the Secretary-General's report, the proposed budget amounts to a total of \$305,191,900 gross (\$300,004,800 net) for the period from 9 February to 31 December 1995, consisting of \$187,541,000 gross (\$185,269,900 net) for the mandate period from 9 February to 8 August 1995 and \$117,650,900 gross (\$114,734,900 net) for the period from 9 August to 31 December 1995.

4. The Advisory Committee recalls that, on 21 March 1995, in accordance with the provisions of General Assembly resolution 49/233 of 23 December 1994, the Committee concurred in the Secretary-General's request to enter into commitments in the amount of \$50 million gross for the financing of UNAVEM III. This commitment was in addition to the amount of \$10.5 million gross authorized and assessed under the provisions of resolution 49/227 of 23 December 1994 for UNAVEM II. The Advisory Committee was informed that, as at 14 June 1995, outstanding assessments for UNAVEM III totalled \$10,164,767, while outstanding loans from the Peace-keeping Reserve Fund totalled \$15 million.

5. The Advisory Committee notes that, in his letter dated 15 June 1995 to the Secretary-General (S/1995/487), regarding the latter's report (S/1995/458), the President of the Security Council expressed the Council's concern that "despite considerable progress in the implementation of the Lusaka Protocol, the peace process is still behind schedule". In this connection, the Advisory Committee notes from paragraph 15 of the report of the Secretary-General that the schedule for the deployment of troops has been slightly adjusted and that, according to the Secretary-General "the further dispatch of United Nations infantry will depend on the progress made by the parties in opening up major access roads and in mine clearance".

6. The Advisory Committee notes from the Secretary-General's report (A/49/433/Add.1) that a status-of-forces agreement was signed with the Government on 3 May 1995. The Advisory Committee recalls that the Security Council encouraged the Secretary-General to reflect as appropriate in the status-of-forces agreement the assistance offered by the Government of Angola and to "explore with the Government of Angola and UNITA possibilities for substantial additional assistance related to peace-keeping". It was not clear to the Advisory Committee the extent to which voluntary contributions in general and assistance from the Government of Angola in particular have been factored in in the proposed estimates (see para. 11 below). Furthermore, upon inquiry, the Advisory Committee was informed that, in view of the fact that the conditions stipulated by the Security Council had only recently been met, detailed budgetary information on a number of items included in the report was not yet available. Contracts for the procurement of items and other services had not yet been finalized and, in some cases, the detailed evaluation and assessment of requirements had not been completed.

7. In view of this and bearing in mind the schedule of meetings of both the Advisory Committee and the Fifth Committee, the Committee recommends that detailed consideration of the Secretary-General's report on UNAVEM III (A/49/433/Add.1) be deferred until the fiftieth session of the General Assembly. This would not only allow in-depth scrutiny of the UNAVEM III budget by the Advisory Committee but would also ensure that an update of requirements based on performance and experience in the Mission area is available. The Advisory Committee's comments and recommendations below are therefore based on its preliminary review of the report of the Secretary-General and in no way prejudice any recommendations the Committee may make at a later stage when considering the detailed budget estimates for UNAVEM III.

8. Based on past experience, the Advisory Committee believes that the total amount of resources requested by the Secretary-General will not be required

before the Advisory Committee has reviewed the estimates in detail as indicated in paragraph 7 above. In its preliminary examination of the Secretary-General's report, the Committee found that expenditures in several areas could be partially deferred or, in some cases, fully deferred until the Committee's detailed scrutiny of the estimates.

9. For example, the Committee has been informed that the actual level of deployment of troops and military observers and civilian personnel would most probably be lower than that estimated and budgeted for. This in turn would have an effect on other requirements, for which expenditure could then also be deferred.

10. Thus, specific items for which the Advisory Committee believes that some expenditure could be deferred are expenditures for military personnel, contingent-owned equipment, civilian personnel, premises and accommodation, purchase of vehicles, air operations, communications, data-processing equipment and contractual services. In addition, the Advisory Committee believes that a portion of the requirement for the support account should also be deferred, pending a detailed examination of the estimates (see annex).

11. With regard to items such as mine-clearing programmes and assistance for disarmament and demobilization, the Advisory Committee was informed that almost half of the total estimate of \$48.05 million is a contingency provision that may or may not be required fully under the assessed budget depending on the availability of voluntary contributions. In his report (S/1995/97) the Secretary-General stated that the Government of Angola had made public a document entitled "Cost of the implementation of the Lusaka Protocol" (S/1994/1451), which indicated its plan to contribute nearly \$500 million to various programmes associated with the peace process. The Advisory Committee notes from paragraph 12 of the Secretary-General's report to the Security Council (S/1995/458) that the Government of Angola has pledged \$3 million for mine-clearance activities. Additional resources as part of the response to an inter-agency appeal for humanitarian assistance to Angola would also be available. In this connection, the Advisory Committee was informed that the target of the joint appeal was an amount of \$219 million, of which \$12.4 million had been earmarked for mine-clearing activities. An amount of \$47 million had been received as of 21 June 1995, in response to the appeal and, of the amount designated for mine clearance, an amount of \$1,277,514 had been received for distribution between various entities involved in this activity.

12. In view of the fact that resources in the form of voluntary contributions would be available for mine clearance and humanitarian assistance activities, the Advisory Committee believes that at the present stage the amounts indicated in the Secretary-General's report for these items would be only partially required by the time the Advisory Committee examines in detail the cost estimates for UNAVEM III. In this connection, the Advisory Committee recalls its statement in paragraph 13 of its report on the administrative and budgetary aspects of the financing of the United Nations peace-keeping operations (A/49/664) that:

"The Committee notes that humanitarian assistance should, in principle, be financed from voluntary contributions; only in those instances where

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voluntary contributions to meet the cost of humanitarian activities are indispensable for the implementation of a peace-keeping operation (short-term) and fail to materialize could some of those costs be included in the budget of the peace-keeping operation; in this connection the Committee points out that since humanitarian activities such as demobilization usually come in the later stages of a peace-keeping operation there would be time to await the results of an appeal."

The Advisory Committee trusts that additional information on the totality of voluntary contributions to these programmes, including assistance from the Government of Angola and the part to be played by specialized agencies of the United Nations, will be provided in the updated information to be presented to the Committee (see para. 13 below).

13. Bearing in mind its observations and comments above, the Advisory Committee believes that expenditure in an amount of \$89.5 million should be deferred until such time as the Advisory Committee considers the detailed estimates for UNAVEM III and is provided with updated information based on experience in the Mission itself. The information should be provided no later than September 1995, so that the Advisory Committee will be in a position to report to the General Assembly by October 1995. As an order of magnitude, the amount of \$89.5 million was arrived at, as indicated in the annex below, in accordance with the foregoing observations of the Advisory Committee. The Advisory Committee therefore recommends that the General Assembly approve initially an amount of \$215.7 million gross (\$211.2 million net) for the period from 9 February to 31 December 1995. Accordingly, the Advisory Committee recommends that, for the period from 9 February to 8 August 1995, the General Assembly approve an initial appropriation of \$150 million gross (\$148 million net), to be assessed. Should the Security Council decide to extend the mandate of UNAVEM III beyond 8 August 1995, the Secretary-General should be authorized to enter into commitments not exceeding \$13.9 million gross (\$13.3 million net) per month, to be assessed. In the event that additional resources are required before the Advisory Committee's detailed consideration of the updated report on UNAVEM, the Secretary-General could seek commitment authority from the Advisory Committee.

AnnexORDER OF MAGNITUDE INDICATIONS UPON WHICH RECOMMENDED DEFERRAL  
OF \$89.5 MILLION (GROSS) WAS BASED

|                                           | <u>Millions of dollars</u> |
|-------------------------------------------|----------------------------|
| Military personnel costs                  | 3                          |
| Contingent-owned equipment                | 21                         |
| Civilian personnel costs                  | 8                          |
| Premises and accommodation                | 3                          |
| Purchase of new vehicles                  | 2.4                        |
| Air operations                            | 8                          |
| Communications                            | 2                          |
| Data-processing equipment                 | 1.1                        |
| Contractual services                      | 20                         |
| Mine clearing and humanitarian activities | 20                         |
| Support account                           | <u>1</u>                   |
| Total                                     | <u>89.5</u>                |

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